

## Ensuring a Sound Basic Education

The North Carolina Supreme Court, in its landmark *Leandro v. State of North Carolina* decision, affirmed the fundamental right of every child to access a sound basic education. The Courts also ruled that North Carolina was not meeting this constitutional requirement.

The Governor is committed to pursuing the policy and programmatic changes outlined in the Comprehensive Remedial Plan (CRP) and to providing the resources necessary to achieve the Plan’s actions over the next biennium and in future fiscal years.

### Recommendation

Provides \$4.5 billion to ensure all of North Carolina’s children have access to a sound basic education by setting aside \$677.8 million to meet the court order to implement the actions in Year Two and Year Three, setting Year Three of the CRP as the budget baseline, and then fully funding Years Four and Five. Of these funds, \$2.5 billion provides fair and equitable distribution of financial resources; \$943.5 million expands access to high-quality early childhood education for children from birth to age five; \$170.5 million develops a skilled educator pipeline and builds educator and principal capacity; \$141.4 million supports low-performing schools and districts; and \$102.0 million creates a guided pathway from high school to postsecondary education and career opportunities.

The Governor’s Recommended Budget includes an additional \$1.8 billion to help recruit and retain high-quality teachers and administrators. The budget sets starting teacher salaries to at least \$46,000 and increases teacher and school-based administrator salaries by 10% in FY 2023-24 and an additional 6% in FY 2024-25.

**Table 1: Allocation of Funds to Support Sound Basic Education<sup>1</sup>**

	FY2023-24	FY2024-25
<b>High Quality Teachers</b>		
Teacher Compensation Program Consultant	\$200,000	\$200,000
Student Recruitment Programs	\$300,000	\$300,000
Teacher Residencies for High-Need Districts	\$10,000,000	\$15,000,000
Office of Equity Affairs	\$ 400,000	\$400,000
Advanced Teaching Roles Program	\$5,760,000	\$7,260,000
National Board Certification	\$1,900,000	\$1,900,000
Recruitment Bonuses for Low Wealth and High Needs Schools	\$4,700,000	\$7,700,000
Teaching Fellows Program	\$11,300,000	\$19,900,000
Grow Your Own Teacher Recruitment Programs	\$3,000,000	\$4,500,000
NC New Teacher Support Program	\$16,100,000	\$27,200,000
NC Principal Fellows	\$13,200,000	\$13,200,000
College Advising Corps	\$3,000,000	\$3,000,000
<b>Sub Total R</b>	<b>\$69,860,000</b>	<b>\$100,560,000</b>

<sup>1</sup> Does not include the \$677.8 million set aside to meet the court order for CRP Years Two and Three.

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### Finance System

Children with Disabilities Funding Cap and Funding	\$155,224,273	\$253,524,273
Disadvantaged Student Supplemental Funding	\$288,600,000	\$507,200,000
Low-Wealth Schools Funding	\$68,500,000	\$97,100,000
Limited English Proficiency Funding Cap and Funding	\$60,200,000	\$100,500,000
Professional Development	\$47,200,000	\$74,400,000
Teaching Assistant Formula and Funding	\$67,500,000	\$105,100,000
Classroom Supplies and Textbooks	\$22,900,000	\$47,900,000
Assistant Principal Allotment	\$6,200,000	\$12,400,000
Central Office Staff Allotment	\$3,722,002	\$15,522,002
Specialized Instructional Support Personnel	\$190,548,449	\$323,248,449
Principal and Assistant Principal Pay	\$4,964,055	\$4,964,055
<b>Sub Total R</b>	<b>\$915,558,779</b>	<b>\$1,541,858,779</b>

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### Assistance and Turnaround

District and Regional Support Model	\$11,000,000	\$19,000,000
Community Schools	\$44,866,904	\$58,763,733
Reduced-Price Lunch Co-Pays	\$3,900,000	\$3,900,000
<b>Sub Total R</b>	<b>\$59,766,904</b>	<b>\$81,663,733</b>

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### Early Childhood Learning Opportunities

NC Pre-K	\$108,300,000	\$199,500,000
Early Intervention	\$15,250,000	\$74,500,000
Birth – Age 3 Early Learning Pilot and Evaluation	\$24,300,000	\$20,000,000
	\$250,00 NR	\$250,000 NR
Smart Start and Child Care Subsidy Rate Floor	\$122,400,000	\$224,800,000
Family Connects Expansion	\$26,200,000	\$52,400,000
Child Care WAGES	\$27,500,000	\$29,000,000
Child Care Workforce Recruitment	\$2,800,000	\$4,300,000
Pre-K to K Transitions	\$5,000,000	\$5,000,000
Collaborative Family Engagement Plans	\$320,000	\$320,000
Early Childhood Data Systems and Technical Assistance	\$1,150,000	\$1,400,000
	\$500,000 NR	
<b>Sub Total R</b>	<b>\$333,220,000</b>	<b>\$611,220,000</b>
<b>NR</b>	<b>\$750,000</b>	<b>\$250,000</b>

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### Postsecondary and Career Alignment

Revise Funding Approach for NC Virtual Public School	\$6,700,000	\$10,000,000
Career and Technical Education Credentials	\$2,500,000	\$4,800,000
Career Development Coordinators in Grades 6-12	\$29,300,000	\$48,700,000
<b>Sub Total R</b>	<b>\$38,500,000</b>	<b>\$63,500,000</b>

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Total R	\$1,416,905,683	\$2,398,802,512
Total NR	\$750,000	\$250,000
<b>Grant Total</b>	<b>\$1,417,655,683</b>	<b>\$2,399,052,512</b>

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## Statement of Need

- The constitutional mandate to provide a sound basic education requires stable, recurring state funding. The Governor’s FY 2023-25 Recommended Budget uses General Fund, Lottery receipts, and Medicaid Expansion Bonus funds to fully fund Years Four and Five of the CRP.
- The CRP outlines the actions the state must take to meet its constitutional obligation of ensuring every student has access to a sound basic education. The plan outlines the minimum requirements to meet this obligation over eight years and is informed by extensive research by the Governor’s Commission on Access to Sound Basic Education and the Court’s independent consultant, WestEd. The plan is the most deliberate, research-based proposal ever put forth to satisfy North Carolina’s constitutional and moral obligation to its children.
- The number of teachers employed in North Carolina declined by 5% from 2009 to 2018, even as student enrollment increased. The number of teacher credentials issued between 2011 and 2016 declined by 30%, and annual teacher attrition is higher in North Carolina than the national average. North Carolina competes with both other states and private industry for the teacher workforce. As the educator workforce shrinks, teacher shortages are widespread, especially for teachers of exceptional children, elementary school students, math, and Career and Technical Education.<sup>2</sup>
- Insufficient reimbursement rates, rising startup and operating costs, and recruitment and retention of qualified teachers are key obstacles to NC Pre-K expansion, which served only 52% of eligible children in 2018.<sup>3</sup>
- High-quality, affordable child care helps children learn and grow and allows parents to work, but the state’s early childhood systems only have capacity to serve 27% of North Carolina’s children with working parents.<sup>4</sup>

## Recommendation Detail

- Fully funds all years of the CRP through Year Five.
- Removes funding caps and increases funding by \$1.53 billion for the Children with Disabilities, Disadvantaged Student Supplemental Fund, and Limited English Proficiency allotments to ensure adequate supplemental funding to school districts to address the needs of at-risk students receiving supplementary funding and the higher costs of serving specific populations.
- Invests \$943.5 million in early childhood education, including support to strengthen the pipeline of early childhood educators.
- Invests \$513.8 million so that schools can hire nurses, counselors, social workers, and school psychologists to meet the physical and mental health needs of their students.
- Provides for additional teacher assistants in K-3 classrooms by increasing the allotment to school districts by \$172.6 million.
- Expands learning opportunities for teachers and school administrators by investing \$121.6 million in professional development.
- Invests \$103.6 million for schools to adopt a Community Schools model to address out-of-school barriers to learning.

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<sup>2</sup> WestEd. “[Sound Basic Education for All: An Action Plan for North Carolina.](#)”

<sup>3</sup> National Institute for Early Education Research. “[Barriers to Expansion of NC Pre-K: Problems and Potential Solutions.](#)”

<sup>4</sup> Child Care Services Association “[2021-2022 North Carolina Infant-Toddler Child Care Landscape Study.](#)”

- Increases the pipeline of diverse, well-prepared teachers by investing \$31.2 million to expand Teaching Fellows eligibility to include any State Board of Education-approved educator preparation program, broaden eligible certification areas, extend the reduced payback period to Fellows who teach in high-poverty schools, improve opportunities for talented minority candidates, and expand program support and enhancement.
- Expands support for low-performing schools by investing \$30.0 million in the District and Regional Support structure.
- Invests \$3.9 million in each year of the biennium to offset the co-pays for students eligible for reduced-price lunches in schools participating in National School Lunch Program and launches a pilot program to expand access to no-cost school meals for more students.

## Expected Impact

Investments in these priorities are expected to have the following impacts:

- Meet the constitutional mandate to provide all children with access to a sound basic education.
- Recruit and retain qualified teachers by providing at least a 16.6% teacher pay raise over the biennium and increasing the starting salary to \$46,000.
- Attract more people to the teaching profession by supporting up to 2,380 additional Teaching Fellows with forgivable loans.
- Support K-3 students by reducing the ratio of teacher assistants to students to 1:31 in FY 2023-24 and 1:29 in FY 2024-25.
- Support teachers of color and rural teachers seeking National Board certification through a training cohort and pay certification costs for up to 1,000 teachers annually.
- Provide up to 97,500 students with no-cost school meals.
- Support mental health by building a pipeline of 115 school psychologist interns, hiring 1,000 new nurses and social workers, and attracting and retaining social workers who can provide higher level services by providing master's degree pay.
- Enable the Department of Public Instruction to better support low-performing schools by immediately hiring 17 principal turnaround coaches and significantly expanding the District and Regional Support structure over the biennium.
- Support NC Pre-K providers in every county by increasing NC Pre-K reimbursement rates by as much as 50% and administrative reimbursement rates from 6% to 10% to allow providers to add 5,000 or more new slots.
- Allow Smart Start to expand evidence-based services in communities statewide and improve pay for early childhood educators by expanding the Child Care WAGES program statewide.
- Strengthen the Early Intervention program with increased staffing and professional development and expand eligibility to serve an additional 10,000 children per year. NC Early Intervention Infant-Toddler Program serves more than 18,000 North Carolina infants and toddlers with developmental delays and other medical needs that may impede their education, which helps prevent more severe delays and more costly interventions later in school.